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Message Text

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45
ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 IO-13 AF-08 ARA-10 EA-09 EUR-12

AGR-10 CEA-01 CIAE-00 COME-00 DODE-00 FRB-01 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05

CIEP-02 SS-15 STR-04 ITC-01 TRSE-00 USIA-15 PRS-01

SP-02 FEAE-00 OMB-01 /156 W
---------- 117923
R 251208Z AUG 76
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 7930

UNCLAS NEW DELHI 12454

E.O. 11652: N/A
TAGS: ETRD IN
SUBJECT: TEXTILES

REF NEW DELHI 12454

FOLLOWING SENT ACTION HONG KONG AUG 25 IS REPEATED

QUOTE

FOR TEXTILE TEAM FROM BELLOCCHI

E.O. 11652: N/A
TAGS: ETRD IN
SUBJECT: TEXTILES

1. THE FOLLOWING ARTICLE APPEARED IN THE ECONOMIC TIMES
OF INDIA ON AUGUST 25:

2. "INDIA WILL TAKE UP THE ISSUE OF QUOTA RESTRICTIONS
ON TEXTILES AT THE MULTI-FIBRES AGREEMENT DISCUSSIONS
IN GENEVA NEXT YEAR. IT WILL OPPOSE RESTRAINTS ON EXPORTS
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IN CONCERT WITH OTHER DEVELOPING COUNTRIES WHICH ARE

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FACING SIMILAR DIFFICULTIES AS THEIR CAPACITY FOR EXPORT
EXCEEDS THE QUOTAS LAID DOWN BY THE DEVELOPING WORLD.

3. "ACCORDING TO AUTHORITATIVE SOURCES HERE, ALTHOUGH INDIA
WOULD OPPOSE QUOTAS IN ALL CATEGORIES OF TEXTILES, SPECIAL
ATTENTION WOULD BE PAID TO RESTRICTIONS IN IMPORT OF HANDLOOMS
AND HANDLOOM GARMENTS. UNDER THE MULTI-FIBRES AGREEMENT
WHICH WAS CONCLUDED IN 1973 AND IS DUE TO BE RENEWED
NEXT YEAR, NO QUOTA RESTRICTIONS CAN BE IMPOSED ON
IMPORTS OF HANDLOOMS. HOWEVER, THE TERM "HANDLOOM HAS
NOT BEEN ADEQUATELY DEFINED UNDER THE AGREEMENT AND LENDS
ITSELF TO AMBIGUOUS INTERPRETATION.

4. "FOR INSTANCE, IT IS POINTED OUT BY KNOWLEDGEABLE
CIRCLES THAT THE US AND THE EEC HAD NOT ACCEPTED THE
INDIAN DEFINITION OF HANDLOOM GARMENTS ON THE PLEA THAT
SEWING MACHINES WERE EMPLOYED IN THEIR MANUFACTURE.
ALONG WITH OTHER COUNTRIES, INDIA WOULD RAISE THIS ISSUE
AT GENEVA AND MAINTAIN THAT DOMESTIC MARKETS OF THE DEVELOPED
COUNTRIES WOULD NOT BE AFFECTED BY INFLUX OF THESE ITEMS.

5. "THIS COUNTRY HAS BEEN AFFECTED GREATLY BY QUOTA
RESTRAINTS IMPOSED BY THE US, FRANCE, NORWAY AND SWEDEN,
AND IT IS EXPECTED THAT DISCUSSIONS WOULD CENTER ROUND TEXTILE
EXPORTS TO THESE COUNTRIES.

6. "IN THE CASE OF US, LITTLE ACTION ON THIS QUESTION IS
EXPECTED TO BE TAKEN TILL THE PRESIDENTIAL ELECTIONS ARE
OVER. THE INTERESTS OF THE TEXTILE OR READY-MADE GARMENTS
LOBBY IN THAT COUNTRY WOULD NATURALLY ASSUME GREATER
IMPORTANCE THAN EVER IN AN ELECTION YEAR. HOWEVER, IT IS
BELIEVED THAT A SYMPATHETIC RESPONSE TO THE
PROBLEM HAS BEEN RECEIVED FROM HIGH-LEVEL OFFICIAL CIRCLES
IN THAT COUNTRY.

7. "THE MULTI-FIBRES AGREEMENT WHICH WILL EXPIRE AT THE END
OF 1977 HAD ALSO STIPULATED THAT QUOTAS COULD ONLY BE
FIXED FOR A FEW CATEGORIES OF GARMENTS. A
CONSORTIUM APPROACH IS EXPECTED TO BE TAKEN BY THIS
COUNTRY ON THE ISSUE DURING RENEWAL DISCUSSIONS FOR
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THE NEXT FOUR YEARS.

8. "AN ENCOURAGING NOTE HAS BEEN SOUNDED BY THE RECENT
DECISION BY THE TEXTILE SURVEILLANCE BOARD (TSB) THAT
ITEMS WHICH WERE ALLOWED WITHOUT QUOTA RESTRICTIONS
PRIOR TO THE BILATERAL TEXTILE AGREEMENT, COULD NOT BE
BROUGHT UNDER QUOTAS LATER. INDIA HAD ALSO INFORMED
SOME COUNTRIES WHICH WERE FIXING QUOTAS THAT THE ISSUE WOULD BE

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BROUGHT BEFORE THE TSB. THE DECISION TAKEN BY THE TSB IN
FAVOR OF ANOTHER DEVELOPING COUNTRY FACING THE SAME PROBLEMS
HAS CONSIDERABLY STRENGTHENED THIS COUNTRY'S STAND.

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Handling Restrictions: n/a
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Legacy Key: link1976/newtext/t19760821/aaaaarwq.tel
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